

**Before the
Federal Communications Commission
Washington, D.C. 20054**

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JUN - 9 2005

*Federal Communications Commission
Office of Secretary*

In the matter of)

FAMILY BROADCASTING, INC.)

Order to Show Cause Why the Licenses for)
Stations WSTX(AM) and WSTX-FM,)
Christiansted, U.S. Virgin Islands,)
Should Not Be Revoked)

EB Docket No. 01-39

To: Marlene Dortch, Secretary
Attention: Full Commission

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Date: June 9, 2005

Exceptions of Family Broadcasting, Inc.

Family Broadcasting, Inc., by its attorney, hereby respectfully excepts to the "Initial Decision on Remand", released in this proceeding on May 13, 2005, by Administrative Law Judge Richard L. Sippel, as follows:

Although an application is pending before the full Commission to sell Stations WSTX AM and FM, Christiansted, VI to an innocent purchaser (File No. BALH-20030304AAW), the ALJ has issued an Initial Decision, proposing to revoke the stations' licenses. This was error. The Judge was required to first give the full Commission an opportunity to act on the transfer application. *Swaggart and LaRose v. FCC*, 494 F.2d 1195 (DC Cir., 1974).

The transfer application contemplates an assignment of the Stations' licenses to Caledonia Communications Corporation, a minority-controlled corporation, pursuant to the Commission's "Distress Sale Policy", which expressly sanctions sales in situations like this one where a licensee is in trouble with the Commission. Although the staff initially dismissed the application, Family filed a timely Application for Review, which remains pending before the Commission. For the reasons set forth therein, Family again urges that the application be approved.

Finally, Family respectfully notes that it has recently filed for bankruptcy and filed an application on FCC Form 316 for assignment of its licenses to a Debtor in Possession. It is anticipated that, in the near future, the licenses will be further assigned to a Receiver. The proceeds of any sale are expected to be insufficient to pay anything

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beyond the claims of its creditors. Thus, the sale can also be approved under the doctrine of Second Thursday Corporation, 22 FCC 2d 515 (1970); 25 FCC 2d 112 (1970).

Failure to grant the relief requested herein will require that the Stations' licenses be put in inventory and sold at a government auction. The likely purchaser will be a chain broadcaster from the mainland. That is not a result that serves the public interest. The public interest is best served by allowing the stations to be transferred to a minority controlled corporation such as Caledonia, owned by local residents of the Virgin Islands.

Respectively Submitted,

A handwritten signature in black ink, appearing to read "Dan Ayll", written in a cursive style.

Daniel A. Huber, Esq.

CERTIFICATE OF SERVICE

I, Daniel A. Huber, do hereby certify that copies of the foregoing have been sent via first class, U.S. mail, postage prepaid, this 9th day of June, 2005, to the following:

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